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**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYE TRUST FUNDS
801 West Badger Road
Madison, WI 53702**

CORRESPONDENCE MEMORANDUM

DATE: August 14, 2000

TO: Private Employer Health Care Coverage Board

FROM: Phil Borden, Director
Office of Private Employer Health Care Coverage Program (PEHCCP)

SUBJECT: Results of Administrator Request for Information

This memo is provided to you for informational purposes only.

Background

This spring, the Office developed a Request for Information (RFI) to determine the extent of services that prospective administrators can provide to the Private Employer Health Care Purchasing Alliance (PEHCPA). On July 7, 2000, the questionnaire was sent to nearly twenty administrators, including a few that currently provide administrative services to similar purchasing groups in other states (Copies of the cover letter and questionnaire are attached.)

The published deadline for responses was July 26. Telephone and e-mail follow-up was conducted beginning July 24.

To date, the Office has received six affirmative responses; five firms declined to respond, and one experienced administrator will no longer offer such services as of January 1. Three firms requested more information or an additional copy of the RFI during follow-up, but have not yet returned the questionnaire.

Conclusions

The PEHCPA's requirements of an administrator are highly specialized. There are few, if any, firms already providing the full array of services the PEHCPA will require. It is the Department's preference to work with a vendor experienced in as many aspects of this type of administration as possible. It may be necessary, however, to scale back our expectations somewhat in light of the current market for these services.

Department staff are developing the RFP to encourage as many responses as feasible, while ensuring that the needs of the Program will be met.

Attachments